

**Commonwealth of Massachusetts
Department of Telecommunications and Energy
Fitchburg Gas and Electric Light Company
Docket No. D.T.E. 02-24/25**

Responses to the Attorney General's Fifth Set of Information Requests

Request No. AG-5-20 (Electric)

Refer to Schedule KMA-7. Please provide the supporting documentation and calculations related to the 12.3% inflation factor.

Response:

Please see Attachment AG-5-20 (Electric) which shows the calculation of inflation as filed in FG&E's annual electric reconciliation filing, DTE 01-103, and approved by the Department as consistent with its guidelines. The inflation rate of 12.3% is the amount forecasted through June 2003.

Person Responsible: Karen M. Asbury

SCHEDULE DJD-5
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Fitchburg Gas and Electric Light Company
 December 3, 2001 Electric Reconciliation Mechanism and Inflation Adjustment Filing
 Annual Inflation Adjustment Factor calculation

Series ID	Year	Month End	Value	Cumulative Inflation From Aug 01, 1997
CUUR0000SA0	1997	Jul	160.5	0.0%
CUUR0000SA0	1997	Aug	160.8	0.2%
CUUR0000SA0	1997	Sep	161.2	0.4%
CUUR0000SA0	1997	Oct	161.6	0.7%
CUUR0000SA0	1997	Nov	161.5	0.6%
CUUR0000SA0	1997	Dec	161.3	0.5%
CUUR0000SA0	1998	Jan	161.6	0.7%
CUUR0000SA0	1998	Feb	161.9	0.9%
CUUR0000SA0	1998	Mar	162.2	1.1%
CUUR0000SA0	1998	Apr	162.5	1.2%
CUUR0000SA0	1998	May	162.8	1.4%
CUUR0000SA0	1998	Jun	163.0	1.6%
CUUR0000SA0	1998	Jul	163.2	1.7%
CUUR0000SA0	1998	Aug	163.4	1.8%
CUUR0000SA0	1998	Sep	163.6	1.9%
CUUR0000SA0	1998	Oct	164.0	2.2%
CUUR0000SA0	1998	Nov	164.0	2.2%
CUUR0000SA0	1998	Dec	163.9	2.1%
CUUR0000SA0	1999	Jan	164.3	2.4%
CUUR0000SA0	1999	Feb	164.5	2.5%
CUUR0000SA0	1999	Mar	165.0	2.8%
CUUR0000SA0	1999	Apr	166.2	3.6%
CUUR0000SA0	1999	May	166.2	3.6%
CUUR0000SA0	1999	Jun	166.2	3.6%
CUUR0000SA0	1999	Jul	166.7	3.9%
CUUR0000SA0	1999	Aug	167.1	4.1%
CUUR0000SA0	1999	Sep	167.9	4.6%
CUUR0000SA0	1999	Oct	168.2	4.8%
CUUR0000SA0	1999	Nov	168.3	4.9%
CUUR0000SA0	1999	Dec	168.3	4.9%
CUUR0000SA0	2000	Jan	168.8	5.2%
CUUR0000SA0	2000	Feb	169.8	5.8%
CUUR0000SA0	2000	Mar	171.2	6.7%
CUUR0000SA0	2000	Apr	171.3	6.7%
CUUR0000SA0	2000	May	171.5	6.9%
CUUR0000SA0	2000	Jun	172.4	7.4%
CUUR0000SA0	2000	Jul	172.8	7.7%
CUUR0000SA0	2000	Aug	172.8	7.7%
CUUR0000SA0	2000	Sep	173.7	8.2%
CUUR0000SA0	2000	Oct	174.0	8.4%
CUUR0000SA0	2000	Nov	174.1	8.5%
CUUR0000SA0	2000	Dec	174.0	8.4%
CUUR0000SA0	2001	Jan	175.1	9.1%
CUUR0000SA0	2001	Feb	175.8	9.5%
CUUR0000SA0	2001	Mar	176.2	9.8%
CUUR0000SA0	2001	Apr	176.9	10.2%
CUUR0000SA0	2001	May	177.7	10.7%
CUUR0000SA0	2001	Jun	178.0	10.9%
CUUR0000SA0	2001	Jul	177.5	10.6%
CUUR0000SA0	2001	Aug	177.5	10.6%
CUUR0000SA0	2001	Sep	178.3	11.1%
CUUR0000SA0	2001	Oct	177.7	10.7%
				2.13% =Oct-01/Oct-00 -1
forecast (2.13% / 12)	2001	Nov	178.0	10.9%
forecast (2.13% / 12)	2001	Dec	178.3	11.1%
forecast (2.13% / 12)	2002	Jan	178.6	11.3%
forecast (2.13% / 12)	2002	Feb	179.0	11.5%
forecast (2.13% / 12)	2002	Mar	179.3	11.7%
forecast (2.13% / 12)	2002	Apr	179.6	11.9%
forecast (2.13% / 12)	2002	May	179.9	12.1%
forecast (2.13% / 12)	2002	Jun	180.2	12.3%

Aug-97 Benchmark Rate (¢/kWh) 10.8845

Benchmark Rate Inflated through Jun-2002 (¢/kWh) 12.2228

15% Discounted Benchmark Rate (¢/kWh) 10.3894

Source: Bureau of Labor Statistics; Consumer Price Index-All Urban Consumers; Series ID: CUUR0000SA0;
 Area : U.S. city average; Item: All items; Base Period: 1982-84=100.